

“(2) APPLICATION OF RECAPTURE RULES, ETC.—Except as otherwise provided by the Secretary, rules similar to the rules of section 50 (other than paragraphs (1) and (2) of subsection (d) thereof), and section 1603 of the American Recovery and Reinvestment Act of 2009, shall apply.

“(3) EXCLUSION FROM GROSS INCOME.—Any credit or refund allowed or made by reason of this section shall not be includible in gross income or alternative minimum taxable income.

“(4) EXCEPTION FOR CERTAIN PROJECTS.—Subsection (a) shall not apply to any governmental unit or cooperative electric company (as defined in section 54(j)(1)) with respect to any specified energy property which is described in section 48(a)(5)(D) if such entity has issued any bond—

“(A) which is designated as a clean renewable energy bond under section 54 of the Internal Revenue Code of 1986 or as a new clean renewable energy bond under section 54C of such Code, and

“(B) the proceeds of which are used for expenditures in connection with the same qualified facility with respect to which such specified energy property is a part.

“(5) COORDINATION WITH GRANT PROGRAM.—If a grant under section 1603 of the American Recovery and Reinvestment Tax Act of 2009 is made with respect to any specified energy property—

“(A) no election may be made under subsection (a) with respect to such property on or after the date of such grant, and

“(B) if such grant is made after such election, such property shall be treated as having ceased to be specified energy property immediately after such property was originally placed in service.”.

(b) TREATMENT OF GRANTS FOR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) is amended by adding at the end the following new subparagraph:

“(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2)(C), subparagraph (A) shall be applied without taking into account any payment made by reason of section 6452.”.

(c) CONFORMING AMENDMENTS RELATED TO DIRECT PAYMENT.—

(1) Subparagraph (A) of section 6211(b)(4)(A) is amended by inserting “and subchapter C of chapter 65 (including any payment treated as made under such subchapter)” after “6431”.

(2) Subparagraph (B) of section 6425(c)(1) is amended—

(A) by striking “the credits” and inserting “the sum of—

“(i) the credits”.

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting “, plus”, and

(C) by adding at the end the following new clause:

“(ii) the payments treated as made under subchapter C of chapter 65.”.

(3) Paragraph (3) of section 6654(f) is amended—

(A) by striking “the credits” and inserting “the sum of—

“(A) the credits”.

(B) by striking the period at the end of subparagraph (A) thereof (as amended by this paragraph) and inserting “, and”, and

(C) by adding at the end the following new subparagraph:

“(B) the payments treated as made under subchapter C of chapter 65.”.

(4) Subparagraph (B) of section 6655(g)(1) is amended—

(A) by striking “the credits” and inserting “the sum of—

“(i) the credits”.

(B) by striking the period at the end of clause (i) thereof (as amended by this paragraph) and inserting “, plus”, and

(C) by adding at the end the following new clause:

“(ii) the payments treated as made under subchapter C of chapter 65.”.

(5) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “, or from the provisions of subchapter C of chapter 65 of such Code” before the period at the end.

(6) The table of subchapters for chapter 65 is amended by adding at the end the following new item:

“SUBCHAPTER C. DIRECT PAYMENT PROVISIONS.”.

(d) CLARIFICATION OF APPLICATION OF GRANTS FOR SPECIFIED ENERGY PROPERTY TO CERTAIN REGULATED COMPANIES.—The first sentence of section 1603(f) of the American Recovery and Reinvestment Tax Act of 2009 is amended by inserting “(other than subsection (d)(2) thereof)” after “section 50 of the Internal Revenue Code of 1986”.

(e) TECHNICAL AMENDMENTS.—

(1) Paragraphs (1) and (2) of section 1603(a) of the American Recovery and Reinvestment Tax Act of 2009 are each amended by striking “is placed in service” and inserting “is originally placed in service by such person”.

(2) Paragraph (1) of section 1603(d) of such Act is amended—

(A) by striking “(within the meaning of section 45 of such Code)”, and

(B) by inserting before the period at the end the following: “which would (but for section 48(d)(1) of such Code) be eligible for credit under section 45 of such Code (determined without regard to subsection (a)(2)(B) thereof)”.

(3) Subsection (f) of section 1603 of such Act, as amended by subsection (d), is amended—

(A) by striking the second sentence and inserting the following: “In applying such rules, any increase in tax under chapter 1 of such Code by reason of the property being disposed of (or otherwise ceasing to be specified energy property) shall be imposed on the person to whom the grant was made.”.

(B) by striking “In making grants under” and inserting the following:

“(1) IN GENERAL.—In making grants under”, and

(C) by adding at the end following new paragraph:

“(2) SPECIAL RULES.—

“(A) RECAPTURE OF EXCESSIVE GRANT AMOUNTS.—If the amount of a grant made under this section exceeds the amount allowable as a grant under this section, such excess shall be recaptured under paragraph (1) as if the property to which such grant relates were disposed of immediately after such grant was made.

“(B) GRANT INFORMATION NOT TREATED AS RETURN INFORMATION.—For purposes of section 6103 of the Internal Revenue Code of 1986, in no event shall any of the following be treated as return information:

“(i) The amount of a grant made under subsection (a).

“(ii) The identity of the person to whom the grant was made.

“(iii) A description of the property with respect to which the grant was made.

“(iv) The fact and amount of any recapture.

“(v) The content of any report required by the Secretary of the Treasury to be filed in connection with the grant.”.

(4) Subsection (g) of section 1603 of such Act is amended—

(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively,

(B) by moving such subparagraphs (as so redesignated) 2 ems to the right,

(C) by striking “paragraph (1), (2), or (3)” in subparagraph (D) (as so redesignated) and inserting “subparagraphs (A), (B), or (C)”,

(D) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary”, and

(E) by adding at the end the following new paragraph:

“(2) EXCEPTION WHERE PROPERTY USED IN UNRELATED TRADE OR BUSINESS.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any person or entity described therein to the extent the grant is with respect to unrelated trade or business property.

“(B) UNRELATED TRADE OR BUSINESS PROPERTY.—For purposes of this paragraph, the term ‘unrelated trade or business property’ means any property with respect to which substantially all of the income derived therefrom by an organization described in section 511(a)(2) of the Internal Revenue Code of 1986 is subject to tax under section 511 of such Code.

“(C) INFORMATION WITH RESPECT TO PASS-THRU.—In the case of a partnership or other pass-thru entity, partners or other holders of an equity or profits interest must provide to such partnership or entity such information as the Secretary may require to carry out the purposes of this subsection.”.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property originally placed in service after the date of the enactment of this Act.

(2) CLARIFICATION AND TECHNICAL AMENDMENTS.—The amendments made by subsections (d) and (e) shall take effect as if included in section 1603 of the American Recovery and Reinvestment Tax Act of 2009.

SEC. 823. QUALIFYING ADVANCED ENERGY PROJECT CREDIT.

(a) IN GENERAL.—Section 48C(d)(1)(B) is amended by striking “\$2,300,000,000” and inserting “\$4,800,000,000”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations for applications submitted after December 31, 2010.

SEC. 824. NEW CLEAN RENEWABLE ENERGY BONDS.

(a) IN GENERAL.—Subsection (c) of section 54C is amended by adding at the end the following new paragraph:

“(5) SECOND ADDITIONAL LIMITATION.—Subject to paragraph (4), the national new clean renewable energy bond limitation shall be increased by \$1,600,000,000. Such increase shall be allocated by the Secretary consistent with the rules of paragraphs (2) and (3).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to allocations after December 31, 2010.

SEC. 825. ALTERNATIVE MOTOR VEHICLE CREDIT FOR NEW QUALIFIED ALTERNATIVE FUEL VEHICLES.

(a) IN GENERAL.—Paragraph (4) of section 30B(k) is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property purchased after December 31, 2010.

SEC. 826. EXTENSION OF PROVISIONS RELATED TO ALCOHOL USED AS FUEL.

(a) EXTENSION OF INCOME TAX CREDIT FOR ALCOHOL USED AS FUEL.—

(1) IN GENERAL.—Paragraph (1) of section 40(e) is amended—

(A) by striking “December 31, 2010” in subparagraph (A) and inserting “December 31, 2011”, and